

HOUSE No. 3085

The Commonwealth of Massachusetts

PRESENTED BY:

Erika Uytterhoeven

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to tax rates on generational wealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Erika Uytterhoeven</i>	<i>27th Middlesex</i>	<i>2/19/2021</i>

HOUSE No. 3085

By Ms. Uytterhoeven of Somerville, a petition (accompanied by bill, House, No. 3085) of Erika Uytterhoeven relative to tax rates on generational wealth. Revenue.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

An Act relative to tax rates on generational wealth.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 2A of chapter 65C of the General Laws, as appearing in the 2018
2 Official Edition, is hereby amended by inserting, in line 2, after the figure “1997” the following
3 words:-

4 and on or before December 31, 2020

5 SECTION 2. Said chapter 65C is hereby amended by inserting after section 2A the
6 following new section:-

7 Section 2B. (a) For the purposes of this section, the following terms shall have the
8 following meanings:-

9 “Adjusted taxable estate”, the sum of the taxable estate, as defined in section 2051 of the
10 Code, and any taxable gifts, as defined in section 2503 of the Code, with a Massachusetts situs
11 made by the decedent within 3 years of the date of death, less the exemption as determined under
12 this subsection.

“Code”, the Internal Revenue Code of the United States, as amended and in effect on December 31, 2000, unless the context clearly indicates otherwise.

“CPI”, the consumer price index for any calendar year as defined in section 1 of the Code, as amended on January 1, 2005 and in effect for the calendar year.

“Exemption”, \$1,000,000 for calendar years beginning on or after January 1, 2021 and before January 1, 2022. For calendar years beginning on or after January 1, 2022, the exemption shall be \$1,000,000 increased by an amount equal to \$1,000,000 multiplied by the percentage, if any, by which the CPI for the preceding calendar year exceeds the CPI for calendar year 2021. If the amount as adjusted under the preceding sentence is not a multiple of \$10,000, such amount shall be rounded to the nearest multiple of \$10,000.

(b) A tax is hereby imposed upon the transfer of the estate of each person dying on or after January 1, 2021 who, at the time of death, was a resident of the commonwealth shall be determined as follows:

(i) If the value of the decedent’s taxable estate is over \$1,000,000 but not over 1,500,000, the tax owed to the commonwealth shall be 16 per cent of the excess over \$1,000,000;

(ii) If the value of the decedent’s taxable estate is over \$1,500,000 but not over 2,000,000, the tax owed to the commonwealth shall be 17 per cent of the excess over \$1,000,000;

(iii) If the value of the decedent’s taxable estate is over \$2,000,000 but not over 2,500,000, the tax owed to the commonwealth shall be 18 per cent of the excess over \$1,000,000;

(iv) If the value of the decedent's taxable estate is over \$2,500,000 but not over 3,000,000, the tax owed to the commonwealth shall be 19 per cent of the excess over \$1,000,000;

(v) If the value of the decedent's taxable estate is over \$3,000,000 but not over 3,500,000, the tax owed to the commonwealth shall be 20 per cent of the excess over \$1,000,000;

(vi) If the value of the decedent's taxable estate is over \$3,500,000 but not over 4,000,000, the tax owed to the commonwealth shall be 21 per cent of the excess over \$1,000,000;

(vii) If the value of the decedent's taxable estate is over \$4,000,000 but not over 5,000,000, the tax owed to the commonwealth shall be 22 per cent of the excess over \$1,000,000;

(viii) If the value of the decedent's taxable estate is over \$5,000,000 but not over 6,000,000, the tax owed to the commonwealth shall be 23 per cent of the excess over \$1,000,000;

(ix) If the value of the decedent's taxable estate is over \$6,000,000, the tax owed to the commonwealth shall be 24 per cent of the excess over \$1,000,000.

(c) A tax is hereby imposed upon the transfer of real property situated in this commonwealth and upon tangible personal property having an actual situs in this commonwealth of every person who at the time of his death was not a resident of the commonwealth. The amount of this tax is a sum equal to the proportion of the tax determined under paragraph (1) of

54 subsection (b) which the value of Massachusetts real and tangible personal property taxed in this
55 commonwealth subject to such tax bears to the value of the decedent's total federal gross estate.

56 (d) Notwithstanding any other provision of law, the tax imposed by subsections (a) and
57 (b) shall be computed upon the value of any property subject to a power of appointment which is
58 includible in the federal gross estate, notwithstanding that a tax has been paid thereon pursuant to
59 section 14 of chapter 65.

60 (e) For the purposes of computing the tax imposed by this section, the provisions of
61 section 3 shall not apply.